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**CAPITAL MOBILIZATION FOR SMALL AND
MEDIUM ENTERPRISES IN NGHEAN**

Major: Finance - Banking

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**SUMMARY
ECONOMY DOCTOR DISSERTATIONS**

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PREAMBLE

1. Necessity of the thesis

The problem, lack of capital, and difficulties in mobilizing capital are emerging problems posed by many SMEs in Nghean province, is a dilemma that needs to be solved by each SME, capital supply organization and agencies, and state management. Recognizing that urgent requirement, the postgraduate chose the title: "Mobilizing capital for SMEs in Nghean province" as the topic of the thesis, hoping to contribute a small part of my intelligence and strength. to discuss and find out some solutions to improve the ability to raise capital for SMEs in Nghean Province.

2. Overview of research related to the thesis

An overall assessment of the content, purposes, subjects, and approaches to the research works of local and foreign authors shows the following

Firstly, studies have clarified concepts, characteristics, advantages, and limitations of SMEs, and the role of SMEs in socio-economic development corresponding to the research period. SMEs have the advantage of small scale, high flexibility, and adaptability to market fluctuations, easy to start and slip into "niche" markets to develop, but there are also limitations stemming from the small capital scale. The development of SMEs is the growth of SMEs in terms of quantity and quality.

Secondly, researchers have analyzed factors affecting SMEs development, which include macro factors (institutional environment, government policies, competitive environment) and micro factors (SME's capacity of capital, technology, management and governance capacity of enterprises' owner, enterprises' accessibility to access the market).

Thirdly, search on capital sources, and capital supply activities of capital-supplying organizations, finding out the advantages and disadvantages of each source of capital for SMEs. All of the researchers claim that as SME equity is limited, they have to mobilize debt capital to meet capital needs for operations and development. Applying the fact that, studies showed the difficulty of SMEs in mobilizing capital sources.

3. Objectives and research tasks of the thesis

Firstly, there has not been any research and analysis on capital sources and methods of raising capital for SMEs, especially referring to new methods of raising capital in the context of increasingly developing technology such as private investment funds, and crowdfunding.

Secondly, there has been no research on the combined effects of challenging factors on capital mobilization, including capital raising costs, capital raising conditions, information transparency, and financial information; and factors supporting capital mobilization include Financial skills training, programs connecting businesses with capital providers, SME associations, government support programs, securities trading products exclusively for SMEs.

Thirdly, no quantitative research has been carried out in Nghean province.

4. Research objectives

The research of the thesis will contribute to filling in the gaps left open by the above works, with the common goal: Propose some solutions to improve capital mobilization for SMEs in Nghean by 2025, with a vision to 2030.

5. Object and scope of research

a. Research object: Mobilizing capital for SMEs

b. Research scope:

+ SMEs in Nghean province, period 2016 to 2020;

+ Period 2016 to 2020;

+ Perspectives and solutions to finalize the proposal for the period up to 2025, with a vision to 2030.

6. Research Methods

a. Qualitative research

Applying dialectical materialism and historical materialism to study problems and phenomena in a dynamic state ensures logic, comprehensiveness, and practicality. The thesis is also used dialectical materialism and historical materialism to study phenomena in a dynamic state, and demonstrate logic, comprehensiveness, and practicality.

b. Quantitative research

Quantitative method, data will be processed by computer and statistics on SPSS software.

7. New contributions of the thesis

7.1 Theoretically

- Summarize the methods of raising capital of enterprises.

- Completing the theory on factors affecting capital mobilization, including challenging factors to raise capital.

- Develop a theory on the process of mobilizing capital for SMEs.

7.2 In terms of practice

- Outline the background picture of the situation of capital mobilization for SMEs in Nghean in the period 2016 to 2020.
- Using SPSS statistical software to analyze quantitatively the factors affecting capital mobilization of SMEs in Nghean province in the period 2016-2020.
- Assess the situation of capital mobilization for SMEs in Nghean province in the period 2016 - 2020.
- The thesis proposes directions, viewpoints, and solutions to improve capital mobilization for SMEs in Nghean until 2025, with a vision to 2030.

8. The structure of the thesis

The thesis includes 3 chapters:

Chapter 1: General theory of capital mobilization for small and medium enterprises

Chapter 2: Current situation of capital mobilization for small and medium enterprises in Nghean

Chapter 3: Solutions to complete the mobilization of capital for small and medium enterprises in Nghean to 2025, with a vision to 2030

CHAPTER 1

GENERAL THEORY OF CAPITAL MOBILIZATION FOR SMALL AND MEDIUM ENTERPRISES

1.1. Small and medium enterprises

1.1.1. Concepts, features of *Small and medium enterprises*

1.1.1.1 Concepts of *Small and medium enterprises*

Classification standards are not uniform for all countries

Table 1.2: World Bank's criteria for identifying SMEs

No	Scale	Number of employees	total assets	Revenue
1	Super small	<10	<100.000 \$	<400.000\$
2	small	From 10 to 50	<100.000\$	<3.000.000\$
3	medium	From 50 to 300	<3.000.000\$	<15.000.000\$

Source: World Bank 2011 Policy Research Paper No. 5538[61]

1.1.1.2 Fundamental characteristics of SMEs:

SMEs have small labor and capital scale; SMEs operate in areas that require little capital, and fast capital turnaround time; They organize an efficient and compact apparatus; SMEs do not have a large market share, and their ability to dominate the market is not high.

1.1.2 *Advantages and disadvantages of SMEs*

1.1.2.1. *The advantages of SMEs:*

Firstly, the compact and efficient management apparatus, dynamism, responsiveness, and adaptability to market fluctuations is the outstanding advantage of SMEs.

Secondly, it is easy to set up, and fixed costs are low in SMEs.

Thirdly, SMEs are the main members of supporting industries.

Fourthly, SMEs can exploit the potential and strengths of each locality, creating a balance in development between industries and regions.

Fifthly, SMEs have more flexibility in market fluctuations.

1.1.2.2 *Disadvantages of SMEs*

Firstly, low financial capacity.

Secondly, the level of technical equipment and technology of most SMEs is not high.

Thirdly, the skill level of human resources in SMEs is not high.

Fourthly, the operation of SMEs is not stable.

1.1.3. *The role of SMEs in socio-economic development*

1.1.3.1 *In economic aspects*

Firstly, SMEs contribute to economic growth and social stability XH.

Secondly, attracting capital and available resources for investment

Thirdly, move and form a reasonable economic structure.

Fourthly, strengthening economic relationships which work as a basis for establishing big enterprises.

1.1.3.2 *Social aspects*

Firstly, SMEs contribute to creating jobs.

Secondly, improving income, eradicating poverty, and implementing social justice.

Thirdly, creating a team of good businessmen.

1.2. Capital and sources of capital of the enterprises

1.2.1. Concepts and The role of capital for enterprises

1.2.1.1. Concepts of capital

Capitals of enterprises are the monetary expression of the total value of assets mobilized and used in product and business activities of enterprises.

1.2.1.2. *The role of capital for enterprises:*

Capital is a prerequisite, playing a decisive role in the establishment, operation, and development of all types of enterprises; Capital is the basic criterion to classify enterprises and is considered one of the important conditions for enterprises to use resources effectively; Capital is the factor of value, the basis for enterprises to expand their autonomy and self-responsibility, condition for enterprises to plan strategies and plans for production and business activities.

1.2.2. *Classification of enterprises' capital*

It can be understood: Capital is the source of forming the assets of enterprises.

In terms of ownership relationships, enterprises' capital includes equity and liabilities.

In terms of the time period for mobilization and usage, capital includes regular capital sources and temporary capital sources.

In terms of the scope of mobilization, capital includes endogenous capital and external capital sources.

1.3. Capital mobilization for SMEs

1.3.1 Concept

Capital mobilization for SMEs is the activity of enterprises to create capital for their business activities in different forms. Capital mobilization can also be understood as businesses approaching investors to provide more capital for the business to meet the capital needs of the business.

1.3.2 Methods of raising capital for the operation of SMEs

1.3.2.1 *Equity mobilization for SMEs*

Equity mobilization includes *the mobilization of the owner's initial capital contribution and the mobilization of additional equity capital.*

1.3.2.2 *Mobilization on of liabilities for SMEs*

SMEs mobilize liabilities to increase the scale of debt capital, including:

- SMEs mobilize capital from commercial banks, financial institutions
- SMEs raise capital by issuing corporate bonds
- SMEs mobilize capital from the trade credit of Suppliers
- SMEs raise capital from cyclical liabilities
- SMEs raise capital from asset leases.
- SMEs mobilize capital from preferential capital sources of the Government

- SMEs mobilize from other sources: borrowing from relatives, cooperative banks, Equity Crowdfunding- ECF

1.3.3 Principles of capital mobilization for SMEs development

- Principle of compatibility guarantee
- Principle of balance between profit and risk
- Principles of ensuring the business owner's control
- Flexible funding principles
- Principle of minimizing the cost of capital.

1.3.4. The process of raising capital for SMEs

- Planning to raise capital for SMEs
- Organize the implementation of the capital raising plan
- Summarize, analyze, and evaluate the implementation of capital mobilization

1.3.5. Indicators reflecting capital mobilization for small and medium-sized enterprises

- Scale of mobilized capital
- A growth rate of mobilized capital
- Structure of mobilized capital

1.3.6 Factors affecting the capital mobilization activities of SMEs

Factors of funding sources:

- Challenging factors for capital mobilization for SMEs
- Factors supporting capital mobilization for SMEs
- Other factors affecting capital mobilization for SME activities

1.4. Experience in capital mobilization for SMEs

1.4.1. *Experience of some countries in the world*

- Experience in capital mobilization for SMEs in Korea
- Experience in capital mobilization for SMEs in Singapore
- Experience in capital mobilization for SMEs in Thailand

1.4.2. *Experience in capital mobilization for SMEs in some provinces*

- Experience in capital mobilization for SMEs in Binh Duong
- Experience in capital mobilization for SMEs in Ho Chi Minh
- Experience in capital mobilization for SMEs in Đà Nẵng

1.4.3 *Lessons learned about capital mobilization for SMEs in Nghean*

Firstly, SMEs focus on increasing equity capital to increase capital size.

Secondly, SMEs actively improve their ability to mobilize capital from commercial banks and credit institutions to increase liabilities and increase capital size.

Thirdly, SMEs increase their access to direct funding channels from Government and local SMEs to increase capital.

Fourthly, SMEs actively approach capital financing channels directly from private investment funds.

Fifthly, SMEs actively invest in technical innovation and applications of advanced technology to enter into business.

Sixthly, SMEs promote participation in associations to increase opportunities for loans from the Credit guarantee fund for SMEs and the SME Development Fund.

Seventhly, SMEs actively mobilize capital by issuing corporate bonds, and owners' linkages with large enterprises.

Eighthly, SMEs improve their financial knowledge, and ability to comply with the law.

Chapter 1 Conclusion

CHAPTER 2

ACTUAL SITUATION OF CAPITAL MOBILIZATION FOR SMALL AND MEDIUM BUSINESSES IN NGHEAN

2.1. Overview of the development of small and medium-sized enterprises in Nghean

2.1.1 Socio-economic development situation of Nghean

2.1.1.1 About natural conditions

Regarding geographical location, Nghean is located in the center of the north-central region, bordering Thanh Hoa province in the north, Ha Tinh province in the south, and Lao People's Democratic Republic in the west with 419 km of the land border. The east coast is 82 km long. Nghean's location helps the province plays a significant role in the North-South socio-economic exchanges, building and developing the marine economy, and the external and expanding economy and international cooperation.

2.1.1.2 Situation of socio-economic development of Nghean province

In recent years, Nghean's economy has made positive progress and achieved many remarkable achievements. With the spirit of initiative, solidarity, and active innovation, Nghean province has achieved significant results, promoting the comprehensive development of the province. With great efforts, in the past five years, Nghean's economy has developed quite quickly, comprehensively,

and in a sustainable direction, creating a favorable foundation for the coming period.

2.1.2. Situation of production and business activities of small and medium enterprises in Nghean province

2.1.2.1 Overview of small and medium enterprises in Nghean province

a. Number of SMEs and size of SMEs

According to statistics, in 2016, in Nghean province, there were 9,818 operating SMEs with business results, accounting for 99.04% of the total number of enterprises in the area and relatively stable over the years (over 99%).

Table 2.3. Number of SMEs in Nghean province.

(Unit: Enterprise and %)

Year	Total number of registered SMEs	Large enterprises	SMEs	Proportion of SMEs %	Speed increase %
2016	9.913	95	9.818	99,04	
2017	10.883	103	10.780	99,05	10
2018	11.678	108	11.570	99,08	7,3
2019	12.399	113	12.286	99,09	6,2
2020	13.220	120	13.100	99,09	6,6

Source: [10],[11],[12], compiled by PhD students

b. SMEs in the legal form of business organization

In Nghean province, in the period 2016-2020, the form of limited liability and joint stock enterprises accounts for the main proportion - more than 80% of the total number of SMEs, of which the limited liability company accounts for more than 55% and tends to increase gradually, from 5,371 enterprises accounting for 54.7% in 2016 to 7,890 enterprises accounting for 60.23% in 2020.

c. SMEs in business sectors

In terms of economic sectors, in the period 2016-2020, there is a trend of shifting towards agriculture, forestry, and fishery, accounting very small proportion of the economic structure, followed by industry, construction, and trade. And services tend to grow well.

Table 2.6. Number of SMEs in Nghean province by economic sector

(Unit: enterprise)

	2016	2017	2018	2019	2020

Total of SMEs	9.818	10.780	11.570	12.286	13.100
Agriculture forestry seafood	344	441	462	490	492
Construction industry	3.484	3.646	4.041	4.343	4.715
Trade in services	5.990	6.693	7.067	7.453	7.893
Proportion %	100	100	100	100	100
Agriculture forestry seafood	4,36	4,09	4	3,99	3,76
Construction industry	34,63	33,82	34,92	35,35	35,99
Trade in Services	61	62,09	61,08	60,66	60,25

Source: [10], compiled by PhD

2.1.2.2. Overview of the financial situation of small and medium enterprises in Nghean province

a. Business capital structure

For the period 2016 - 2020, Analyses of the current situation of capital mobilization for SMEs in Nghean province, should be based on the capital structure and capital structure of SMEs shown in Table 2.7

Table 2.7. Capital structure of SMEs in Nghean as of December 31 every year

(Unit: billion)

Year	2016	2017	2018	2019	2020
Short-term capital	57.727,4	76.000,87	94.752,25	92.248,8	109.281,9
Proportion (%)	70,06	68,35	69,9	64,6	71,23
Long-term capital	30.552,6	35.196,13	40.801,75	50.551,2	44.140,1
Proportion (%)	29,94	31,65	30,1	34,4	28,77
Total assets	88.280	111.197	135.554	142.800	153.421

Source: [10],[11],[12], compiled by PhD

b. Business capital structure

With the capital structure favoring short-term capital, the capital structure of SMEs in Nghean province has a high proportion of liabilities, as shown in Table 2.8.

Table 2.8. Capital structure of SMEs in Nghean as of December 31 every year

Year	2016	2017	2018	2019	2020
Equity Capital	33.011,82	42.026,51	57.730,74	56.418	54.468,58
Proportion (%)	37,4	37,8	42,6	39,5	35,5
Debt capital	55.268,18	69.170,49	77.823,26	86.382	92.391,6
Proportion (%)	62,6	62,2	57,4	60,5	64,4
Tổng nguồn vốn	88.280	111.197	135.554	142.800	153.421,2

Source: [10, compiled by PhD

2.1.2.3. Business results and efficiency in recent years of small and medium enterprises in Nghean province

In the period 2016-2020, despite many difficulties, SMEs in Nghean province have made great efforts and achieved many positive results. Table 2.10 shows that the net revenue of small and medium-sized enterprises increased steadily every year, from VND 63,769 billion in 2016, to a value of VND 87,472 billion in 2020.

2.2. Situation of capital mobilization for activities of SMEs in Nghean province

2.2.1. Situation of raising equity capital for SMEs

a. Size of equity capital

In the period of 2016 - 2020, the scale of equity of SMEs in Nghean province is increasing, as shown in Table 2.12

Table 2.12. Size of equity, the equity ratio of SMEs

Year	equity capital (billions dong)	Equity growth rate (%)	Equity ratio
2016	33.011,82	109,27	0,374
2017	42.026,5	127,3	0,378
2018	57.069,09	135,7	0,421
2019	56.244,2	98,55	0,422
2020	54.468,58	96,84	0,355

Source: [10, compiled by PhD

Table 2.12 shows that: In the period of 2016 - 2020, the equity of SMEs in Nghean province tends to increase.

The equity ratio is not high, most SMEs in Nghean province have limited initial capital, and the mobilization of additional equity capital is also limited.

b. Equity structure

The structure of equity of SMEs in the state sector and the non-state sector are shown in tables 2.14, 2.15

Table 2.14. Equity structure of SMEs in the state sector

Đơn vị tính: %

Yar	2016	2017	2018	2019	2020
Equity capital	100	100	100	100	100
Sate sector	55,6	40,4	35,2	32,3	30,2
other	44,4	59,6	64,8	67,7	69,8

Source: [63, compiled by PhD

Table 2.14 shows that in state-owned SMEs, state budget capital tends to decrease gradually, and capital from other investors of enterprises accounts for an increasing proportion, which is consistent with the divestment policy in state-owned enterprises. State budget capital accounted for only 32.3% of the total equity of SOEs in 2019.

c. Raising equity from private investment fund (PE)

The increase in private capital is the cause of private investment funds in the world and Vietnam is growing. Vietnam is an emerging market, converging many favorable factors with a large population, a stable economy, and the development of technology, making Vietnam one of the potential countries for investment capital flows core. In 2018, investment funds invested more than \$ 1.6 billion in 38 private equity (PE) investments in Vietnam.

Table 2.17 Number of private investment funds investing in SMEs in Nghean

	2016	2017	2018	2019	2020
Number of enterprises receiving investment	-	-	10	7	8
Amount of capital committed to invest	-	-	4,5	4,3	69

Number of PE funds invested	-	-	2	5	5
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Source: Summary of investment plan reports in Nghean province

In addition to raising equity from private investment funds, debt mobilization is also a capital mobilization channel that SMEs in Nghean province need to mobilize to meet their capital needs.

2.2.2. Situation of mobilizing loans and other debt capital for the operation of SMEs in Nghean province

2.2.2.1. Situation of mobilizing loans from commercial banks and financial institutions for SME activities

Mobilizing capital from commercial banks and financial institutions is the main form of capital mobilization, playing a significant role in increasing the capital size to meet the capital needs of SMEs in Nghean province; however, only about 36% of SMEs have access to capital with this credit. The size of the total capital for enterprises is shown in Table 2.18.

Table 2.18 Outstanding loans for SMEs of commercial banks and financial institutions in Nghean

(Unit: billion, %)

Targets	2016	2017	2018	2019	2020
Total outstanding loans in Nghean province (billion VND)	145.413	170.407	192.545	208.685	226,031
Outstanding loans for SMEs in Nghean province (VND billion)	16.431,7	26.242,6	35.620,83	39.858,9	44.980,1
Proportion of loans to SMEs/total outstanding loans in the area (Unit: %)	11,3%	15,4%	18,5%	19,1%	19,9%
Growth rate of outstanding loans for SMEs in Nghean province (Unit: %)	15%	59.7%	35.7%	11.9%	12.8%

Source: summary report of the State Bank of Nghean province

Table 2.18 shows that, in the period 2016 - 2019, the proportion of SME loans in the total loan balance of the whole area is increasing. In 2016, the total loan balance was VND 145,413 billion, increasing 1.44 times to reach a value of VND 226,031 billion in 2020.

2.2.2.2. Situation of capital mobilization from commercial credit

SMEs in Nghean province have many difficulties in raising capital from commercial banks and financial institutions. Therefore, the supplier's trade credit is a form of capital mobilization to help SMEs increase their liabilities for production and business activities.

Table 2.20. SME capital raised from supplier's commercial credit

Year	Debt capital of SMEs (billion VND)	Commercial credit capital trade (billion VND)	Commercial credit capital trade/liabilities (%)
2016	55.268,18	16.856,79	30,5
2017	69.170,49	20.197,78	29,2
2018	78.823,26	22.543,45	28,6
2019	86.382	21.854,65	25,3
2020	92.391,6	25.407,69	27,5

Source: summary report of the State Bank of Nghean province

The source of capital for SMEs mobilized from commercial credit suppliers has increased the scale of liabilities, increasing the size of total capital to meet the capital needs of SMEs in Nghean province.

2.2.2.3. Actual situation of raising debt capital from bond issuance and lease of assets

For SMEs in Nghean province, raising capital through the issuance of corporate bonds is a relatively new form. The capital sources of Nghean SMEs mobilized from bonds and finance leases are shown in Table 2.21

Table 2.21. Nghean SME capital mobilized from corporate bonds and finance lease

(Unit: billion, %)

Year	Debt capital	Capital Corporate bonds	Capital raised from finance lease
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	Value	%	Value	%	Value	%
2016	55.268,18	100	-	-	73,79	0,13
2017	69.170,49	100	-	-	69,21	0,10
2018	78.823,26	100	-	-	81,16	0,11
2019	86.382	100	-	-	88,47	0,10
2020	92.391,6	100	200	0.22	87,36	0,09

Source: statistical data from the website of the State Securities Commission

For SMEs, property lease is an appropriate capital mobilization channel because there is no need for collateral, but the leased property itself is used as a special asset; When the financial system is more and more developed, capital from bonds and finance leases are still two potential sources of capital for small and medium-sized enterprises because this is an unsecured debt source suitable for SMEs.

2.2.2.4 Mobilizing capital from preferential capital sources of localities and the Government

SMEs in Nghean province have not been able to access capital from the government's SME support fund due to the limited capacity to prepare documents required by the fund; moreover, the time for review and appraisal is quite a long time because it is the intermediary stage of commercial banks.

2.2.2.5. Situation of other forms of capital mobilization for liabilities other than SMEs in SMEs

Other payables are used by SMEs to increase liabilities and increase capital size, shown in Table 2.23.

Table 2.23. Sources of capital mobilized by SMEs from other payables
(Unit: billion and %)

Average one year	Debt capital	Other	Other /Debt capital (%)
2016	55.268,18	14.794,85	39,67
2017	69.170,49	15.813,05	32,8
2018	78.823,26	11.988,43	26,09
2019	86.382	16.030,25	28,5
2020	92.391,6	13.688,57	23,71

Summarizing from tables 2.16, 2.18, 2.19, 2.20, and 2.21, the capital structure in liabilities of SMEs in Nghean province is shown in Table 2.24.

In the payables of SMEs in Nghe, An province, the capital mobilized from commercial banks and financial institutions accounts for the main proportion, and capital mobilized from corporate bonds and finance leases accounts for a very small proportion.

2.2.3 Actual situation of capital mobilization process for SMEs in Nghean province

SMEs in Nghean province are still mainly small and micro enterprises, and most of them have not focused on building a capital mobilization process, data from survey results of more than 400 SMEs in the area show that The percentage of enterprises following the capital mobilization process is very low as shown in the following table:

Table 2.25: Statistics of survey results on the implementation of capital mobilization process for SMEs in Nghean province

STT	Capital raising process		Quantity	Proportion
1	Capital raising plan	Determining capital needs	88	22%
		Determine the capital structure	30	7.5%
		Develop a capital raising plan	76	19%
2	Carrying out capital raising		62	15%
3	Summarize, analyze and evaluate the implementation of capital mobilization		20	5%

2.3. The influence of factors on the ability to mobilize capital for SMEs in Nghean province

2.3.1 Analytical methods

2.3.1.1. Analytical model

- Dependent variable

: HDV: Raising capital for SMEs

- Independent variables

NV: Capital

TT: Challenges for raising capital

HT: Fundraising support

- Sample regression model

$$\text{HDV} = \alpha_0 + \alpha_1 * \text{NV} + \alpha_2 * \text{TT} + \alpha_3 * \text{HT} + z_i$$

2.3.1.2 Sampling

The list was randomly selected based on the distribution of enterprises across the province, the ballots were sent to 160 enterprises in Vinh City, in 3 towns of Cua Lo, Hoang Mai, Thai Hoa, and seven districts of Dien Chau, Quynh Luu, and Nghi Loc, Do Luong, Yen Thanh, Hung Nguyen, Nam Dan, each province surveyed 20 enterprises; The remaining nine districts, including Que Phong, Nghia Dan, Quy Chau, Ky Son, Tuong Duong, Con Cuong, Anh Son, Quy Hop, and Tan Ky, each district took ten survey questionnaires. The results obtained 408 questionnaires with feedback, after the screening, only 400 valid votes were put into processing and analysis.

2.3.1.3 Data collection methods and scales

* Data collection methods

The researcher used a questionnaire with a five-level Likert scale.

2.3.1.4 Data analysis techniques

Spss 20 software was used for data analysis

2.3.2 Research results

2.3.2.1 Descriptive statistics

The thesis synthesizes the data of 400 survey questionnaires collected from 400 SMEs in Nghean province, obtained the following data:

Bảng 2.29 Business statistics by size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Siêu nhỏ	164	41.0	41.0	41.0
	Nhỏ	152	38.0	38.0	79.0
	Vừa	84	21.0	21.0	100.0
	Total	400	100.0	100.0	

Source: Phd statistics from SPSS 20

2.3.2.2 Analyze the reliability and suitability of the scale

a) Check the reliability of the scale

The results show that: Cronbach's alpha coefficient of factors affecting capital mobilization is greater than 0.7, and the variable-sum correlation of all variables is satisfactory and reliable (>0.30).

b) EFA exploratory factor analysis

The KMO coefficient has a value from 0.774 to 0.906 and sig = 0.000, so the data used for factor analysis is completely appropriate.

The results of EFA exploratory factor analysis with 4 factors were identified and renamed the factor, coding the variable according to the mean value as follows:

Bảng 2.37: The group of factors is determined after the EFA . test

No	Observed variables	Variable group name is reset	New variable group encoding
1	NV1,NV2,NV3,NV4	Main source of funding	NVC
2	NV5,NV6	Potential source of funding	NVTN
3	TT1,TT2,TT3,TT4	Challenges for raising capital	TT
4	HT1,HT2,HT3,HT4,HT5	Fundraising support	HT

2.3.2.2 Correlation and regression analysis

a) Correlation analysis

b) correlation analysis was performed for this study to determine whether any relationship between the study variables existed.

c) Regression analysis

Table 2.38: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	44.239	4	11.060	458.825	.000 ^b
Residual	9.521	395	.024		
Total	53.760	399			

a. Dependent Variable: HUY DONG VON

b. Predictors: (Constant), HỖ TRỢ HUY DONG VON, THACH THUC TRONG HUY DONG VON, NGUON VON CHÍNH, NGUON VON TIEM NANG

The ANOVA table gives us the results of the F test to evaluate the fit hypothesis of the regression model

Table 2.39: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.907 ^a	.823	.821	.155	.132

a. Predictors: (Constant), HỖ TRỢ HUY DONG VON, THACH THUC ĐỐI HUY DONG VON, NGUON VON CHÍNH, NGUON VON TIEM NANG

b. Dependent Variable: HUY DONG VON
--

The Coefficients table gives us the t-test results to evaluate the hypothesis of the significance of the regression coefficient, the VIF index to evaluate multicollinearity, and the regression coefficients. From the regression coefficients, two normalized and unnormalized regression equations are built in the following order:

$$HDV=0.275 NVC+0.089 NVTN+0.239 TT+0.579 HT+\varepsilon$$

$$HDV=-1.038+0.145 NVC+0.182 NVTN+0.140 TT+0.311 HT+ \varepsilon$$

This coefficient determines the position of influence of the independent variables on the dependent variable.

2.3.3.3 General comments

The ability to mobilize capital of SMEs in Nghean province is still low with 84% of enterprises lacking capital, and only 16% of enterprises with sufficient capital. Based on the regression analysis, it shows that 4 factors occupying 82.1% of the variation, affect the ability to raise capital.

2.4. ASSESSMENT OF THE SITUATION OF CAPITAL MODIFICATION OF SMALL AND MEDIUM ENTERPRISE IN NGHEAN

2.4.1. Achievements in capital mobilization for small and medium enterprises in Nghean in the period 2016 - 2020

2.4.1.1 Results of raising equity capital for SMEs

- Firstly, the equity scale of small and medium enterprises in Nghean province increased.
- Secondly, equity in non-state enterprises always accounts for a large proportion and tends to increase, exploiting the capital of the non-state economic sector.
- Thirdly: The owner's capital is mobilized in a variety of forms.

2.4.1.2 Result of debt mobilization of SMEs

- Firstly, the increased scale of liabilities affects small and medium enterprises in Nghean province.
- Secondly, the proportion of capital mobilization from commercial banks and financial institutions of SMEs is high and increasing.
- Thirdly, commercial credit capital increased and accounted for a relatively large proportion.
- Fourthly, Debt sources are mobilized in a variety of forms.

2.4.2. Limitations and limitations in mobilizing capital for small and medium enterprises in Nghean province

2.4.2.1. Limitations in capital mobilization of small and medium enterprises in Nghean province.

Firstly, the size of the total mobilized capital of SMEs is limited.

Secondly, the ability to raise capital for many SMEs in Nghean from Commercial banks and financial institutions have difficulties.

Thirdly, the ability to mobilize capital from the stock market of SMEs in Nghean is low.

Fourthly, raising capital from leasing is not an attractive channel for SMEs

Fifthly, SMEs are limited in their ability to access and mobilize capital from Government and provincial support funds.

Sixth, many businesses do not mobilize capital according to the process.

2.4.2.2. Reasons for limitation in raising capital for businesses small and medium-sized in Nghean province.

a. Subjective reasons

Firstly, SMEs have not diversified their funding sources and have not exploited potential funding sources.

Secondly, there are still many challenges for capital mobilization activities for SMEs.

Thirdly, the supporting factors for capital mobilization have not been effective. SMEs have not been able to exploit the support programs of the government and the province.

Fourthly, the capital mobilization process has not been focused on.

b. Objective reasons

Firstly, the funding source is still limited in size.

Secondly, the supporting factors for capital mobilization are still weak and have not been focused.

CONCLUSION CHAPTER 2

CHAPTER 3

COMPLETE SOLUTIONS FOR CAPITAL MOBITION FOR SMALL AND MEDIUM BUSINESS IN Nghean PROVINCE BY 2025, VISION TO 2030

3.1. Orientation to raise capital for small and medium enterprises in Nghean province

3.1.1 Socio-economic characteristics of Nghean province affect capital mobilization for SMEs in Nghean province

Nghean province being built to be the political, cultural, scientific, educational, and economic center of the North Central region. The provincial government always accompanies businesses in clearing investment resources and applying science and technology to support SME development.

3.1.2. Orientation to raise capital for small and medium enterprises in Nghean province

Firstly, Increase loan balance for SMEs in the province

- Secondly, Improve the operational efficiency of the SME credit guarantee fund.
- Thirdly, Support start-ups to raise capital.
- Fourthly, Encourage the diversified development of capital market and Nghean financial market to help SMEs in Nghean raise capital.
- Fifth, encourage SMEs to participate in the implementation of links, and joint ventures, join value chains, and at the same time develop SMEs through subcontracting development.
- Sixth, Continue programs to connect businesses with investors, especially start-ups.

3.1.3. The point of view of completing solutions to raise capital for small and medium enterprises in Nghean province

The solution to complete capital mobilization for SMEs in Nghean province should thoroughly grasp the following points of view:

Firstly, raising capital for SMEs is a long-term, consistent strategy, a key task in the socio-economic development policy of Nghean province.

The second is, Proactively and actively implement solutions to raise equity capital and

Debt is a cross-cutting point to raising capital for SMEs in Nghean province.

The third is, Mobilizing to increase the capital size for SMEs in Nghean province is a regular and long-term solution, the responsibility of each SME, the Government, the Province, and the organizations providing capital.

The Fourth is, Mastering a comprehensive and synchronous perspective in implementing solutions complete capital mobilization for SMEs in Nghean province.

3.2. Complete solution to raise capital for small and medium enterprises in Nghean province

3.2.1. Maximize financial resources to increase equity

Firstly, SMEs in Nghean province mobilized to increase equity from profit after tax.

Secondly, SMEs in Nghean need to focus on raising equity capital from the increase in capital contributed by members who are current owners (for joint stock companies, it is the issue of new shares for shareholders and the Current east).

Thirdly, SMEs need to exploit equity capital from private investment funds (PE), venture capital funds (VE), and angel investors (Angel).

Fourthly, SMEs are joint stock companies in Nghean province to increase equity by issuing new shares through the stock exchange.

3.2.2. Diversify methods of raising capital

Firstly, SMEs enhance their ability to mobilize capital from commercial banks and financial institutions. Second, Enhance the exploitation of commercial credit capital.

Third, SMEs expand the form of capital mobilization by issuing bonds.

Fourth, the SME Solution mobilizes capital and hires finance to operate.

Fifth, innovative start-ups and SMEs participating in the value chain increase their access to capital from the SME development funds

Sixth, Maintain and expand capital mobilization from relatives, family, and friends.

3.2.3 Limiting challenges to capital raising activities

Firstly, SMEs need to capture and update financial information.

Secondly, SMEs need to be transparent about their information.

Thirdly, minimize the cost of capital.

Fourthly, Access to capital sources with capital supply conditions suitable to the capacity of SMEs proactively meets the conditions of capital-supplying organizations.

3.2.4 Strengthening support for capital mobilization for SMEs

Firstly, regularly train financial knowledge for the management team and leaders of SMEs.

Secondly, Make the most of government support programs. Government

Third, promote programs to connect businesses with capital providers.

Fourthly, increase participation and active activities in Nghean small and medium enterprises association.

Fifthly, Participate and increase capital mobilization from the stock market for SMEs (HVN market, Upcom market).

3.2.5 Strengthening the implementation of capital mobilization process for SMEs

SMEs in Nghean province need to strengthen the implementation of capital mobilization according to a reasonable process.

3.3. CONDITIONS FOR IMPLEMENTATION OF THE COMPLETE CAPITAL MODIFICATION SOLUTION IN SMALL AND MEDIUM ENTERPRISE IN ANH AN PROVINCE

3.3.1. For organizations providing capital for small and medium enterprises

3.3.1.1. For commercial banks, financial institutions

Firstly, commercial banks and financial institutions continue to improve mechanisms and policies on lending activities for SMEs.

Second, commercial banks and financial institutions promote mobilization to increase capital scale.

Thirdly, commercial banks and financial institutions need to diversify forms of lending, and increase the proportion of medium and long-term loans to SME customers in Nghean province.

Fourth, commercial banks and financial institutions combine many products and services to provide SMEs, and develop "package" services for SMEs to lower lending rates.

Fifthly, commercial banks and financial institutions in Nghean province actively improve lending procedures and improve the capacity of staff to perform SME lending.

Sixthly, commercial banks and financial institutions develop a plan to expand the network of lending to SME customers.

Seventhly, commercial banks, and financial institutions need to develop customer strategies combined with information to promote credit products.

Eighthly, commercial banks, and financial institutions apply credit scoring methods in SME lending activities.

Ninthly, Commercial banks and credit institutions in the province have increased the application of information technology.

Tenthly, organize many seminars and conferences to connect banks with enterprises.

3.3.1.2. For raising capital from corporate bonds and the stock market

- The Government will soon build a stock market exclusively for SMEs
- Quickly deploy and replicate the "crowdfunding platform" model.
- Piloting and realizing the stock trading platform model of

innovative start-ups.

- The Government upgraded the stock market to help SMEs increase their ability to raise capital Stock market.

3.3.1.3. For financial leasing companies

Firstly, financial leasing companies need to increase capital potential

Secondly, Diversify the method of financial leasing

Thirdly, CTTC actively manages risks and minimizes bad debts

Fourthly, CTTC needs to widely promote its rental services to SME customers.

Fifthly, CTTC companies promote links with commercial banks to expand the form of property leasing to SMEs.

3.3.1.4. For SME Development Support Funds

For the Credit Guarantee Fund for SMEs to operate effectively, it is necessary to:

- Add more functions to the Fund.
- Building a mechanism to receive entrustment management of investment capital.
- Continue reviewing and finalizing legal documents to support SMEs with appropriate support policies.
- Deploying an unsecured lending model for SMEs.

3.3.2. For state management agencies

3.3.2.1. For the Government

- The Government, ministries, and branches develop and implement many policies to support SMEs, and continue administrative reform in the field of tax, customs, and tax support for SMEs.
- Balanced development of financial markets, especially the stock market
- State management agencies implement synchronously and effectively the Law on Support SMEs and supporting policies issued by the Government, ministries, and sectors.

3.3.2.2. For State Bank

To expand credit activities and promptly meet the capital needs of SMEs in Nghean, the SBV needs to:

- The State Bank cooperates with ministries, branches, and Nghean province in implementing the contract set of policies to support SMEs.
- Completing policies on capital market development by accelerating the equitization process of SOEs.

- The State Bank has policies to encourage commercial banks and financial institutions to reserve a higher proportion of outstanding loans for SMEs in total loans.

3.3.2.3. For Nghean province

- The province expands diversified capital mobilization channels.
- The province develops regulations for SMEs in Nghean to raise capital by applying the crowdfunding model (CFM).
- The province actively implements policies to support SMEs
- The province periodically summarizes and evaluates the results of the implementation of guidelines and policies of the Government and the province in supporting capital for SMEs in the area.

3.3.2.4. For the Association of Small and Medium Enterprises of Nghean Province

- Nghean SMEs Association actively propagates and raises awareness about the benefits and obligations of transparent business information for SMEs.
- Nghean SMEs Association periodically organizes Seminars, and professional training courses on finance, accounting, and business administration.
- Nghean SME Association must be the representative organization to protect the legitimate and legitimate interests and interests of SMEs in the locality.

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PUBLICATIONS RELATED TO THE THESIS

1. Nguyen Thi Anh Giang (2021), “Formula in raising capital for small and medium enterprises”, *Asia-Pacific Economic Review*, No. 595(19) August 2021.
2. Nguyen Thi Anh Giang (2022), “Experience in raising capital for small and medium-sized enterprises from Singapore and South Korea”, *Asia-Pacific Economic Review*, No. 610 (128) May 2022.